


USAID Grant Agreement No. 498-045

STRATEGIC OBJECTIVE GRANT AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
TO
SUPPORT
TSUNAMI RECOVERY AND RECONSTRUCTION
IN
INDONESIA

Dated: July 07, 2005

Certified to be the conformed copy of the original Strategic Objective Grant Agreement signed by William M. Frej, Mission Director to Indonesia, United States Agency for International Development, and Kuntoro Mangkusubroto, Director, Executing Agency for Rehabilitation and Reconstruction for Aceh and Nias.



Louis H. Kuhn
Program Officer (Acting)
USAID/Indonesia

Strategic Objective Grant Agreement

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STRATEGIC OBJECTIVE GRANT AGREEMENT

Dated: July 07, 2005

Between

The Government of the United States of America, acting through the United States Agency for International Development ("USAID")

and

The Government of the Republic of Indonesia, acting through the Executing Agency for Rehabilitation and Reconstruction for Aceh and Nias ("BRR"), (hereinafter referred to collectively and individually as the "Grantee"),

WHEREAS, the Grantee and USAID (the "Parties") hereby express their commitment to support recovery and reconstruction in Aceh and North Sumatra following the devastating December 26, 2004 earthquake and tsunami as described herein;

NOW, THEREFORE, the Parties hereby agree as follows:

Article 1: Purpose.

The purpose of this Strategic Objective Grant Agreement ("Agreement") is to set out the understanding of the Parties named above about the Strategic Objective described below.

Article 2: Strategic Objective and Results..

Section 2.1. Strategic Objective. The Strategic Objective ("Objective") is to support earthquake and tsunami recovery and reconstruction in Aceh and North Sumatra.

Section 2.2. Activities and Results. In order to achieve this Objective, the Parties agree to work together to support earthquake and tsunami recovery and reconstruction in Aceh and Nias, North Sumatra through activities that support the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan of

April 2005 and in coordination with the international donor community, including activities that rebuild and improve vital large and small-scale infrastructure; facilitate and maximize options to support the transition from camps to communities for vulnerable populations by meeting basic needs for shelter and housing, economic revitalization and livelihoods, and other transitional support; restore and strengthen the management and quality of critical basic services such as health, education, water/sanitation, and environment; restore and strengthen local governance and government systems; provide technical advice and assistance to support national and local level strategic planning and implementation of reconstruction programs; and other activities supporting these objectives, (the "Results") as described in Annex 1. Within the limits of the definition of the Objective in Section 2.1, this Section 2.2 may only be changed by written agreement of the authorized representatives of the Parties with formal amendment to the Agreement.

Section 2.3. Annex 1, Amplified Program Description. Annex 1, attached, amplifies the above Objective, Activities and Results. Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) **The Grant.** To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, and in accordance with the budget contained in Annex 1, hereby grants to the Grantee under the terms of the Agreement up to Three Hundred Thirty Two Million United States ("U.S.") Dollars (\$332,000,000) (the "Grant").

(b) **Total Estimated USAID Contribution.** USAID's total estimated contribution to achievement of the Objective will be \$332,000,000. In addition to this amount, a total of \$68,117,286 has been previously committed for urgent relief and rehabilitation programs implemented in advance of the signature of this Agreement. The full level of commitment of \$400,117,286 constitutes the entirety of the United States Government pledge of assistance to Indonesia for tsunami relief, recovery, and reconstruction programs.

(c) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective or Results or activities during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b). USAID will report at least annually in a format to be agreed upon by the Parties on its contribution.

Section 3.2. Grantee Contribution.

(a) The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annex

1, and all other resources required to complete, on or before the Completion Date in Article 4, all activities necessary to achieve the Results.

(b) The Grantee's Total Estimated Planned Contributions to the Objective will not be less than the equivalent of Twenty-Five (25%) of USAID's Total Estimated Contribution in section 3.1(b) that is determined by USAID to fund activities that involve substantial Government of Indonesia benefit or involvement. The Grantee may meet this requirement through a budget allocation, contributions on an in-kind basis and/or attributions derived from existing nationally-implemented sectoral programs. Acceptable attributions may include, but are not limited to: capital goods, counterpart personnel, services and studies that support attainment of the Objective, rental or purchase of materials for operations or construction, administrative costs, land contributed by the Government of Indonesia to attainment of the Objective, and costs related to the above items, subject to availability of funds to the Grantee for this purpose, the mutual agreement of the Parties, at the time of each subsequent increment, to proceed, and USAID providing the total estimated amount in Section 3.1(b). The Grantee will report at least annually in a format to be agreed upon by the Parties on its in-kind contributions.

Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2008, or such other date as the two Parties may agree to in writing, is the date by which the two Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, a statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.2, and of any additional representatives, together with a

specimen signature of each person specified in such statement.

Section 5.2. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Dates for Conditions Precedent. The terminal date for meeting the conditions specified in Section 5.1 is 30 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1. have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants

Section 6.1. Standard Provisions. After a thorough review, the Parties have determined that the activities proposed for funding under this Agreement do not in any way relate to the terms of Standard Provision F.1, F.2, F.3 and F.4 of Annex 2. Should potential issues arise in the future under this Agreement, the Parties agree to work together to resolve any concerns related to Standard Provisions F.1, F.2, F.3 and F.4 of Annex. 2

Section 6.2. Implementation. In support of the Objectives of this Agreement, the Parties may conclude implementation arrangements as fully described in Section E. of Annex 1 and Section A.2, Implementation Letters, of Annex 2.

Section 6.3. Contractors, Grantees and Other Organizations. Funding under this Agreement may be provided directly by USAID in the form of contracts, grants, cooperative agreements and other mechanisms to international private voluntary organizations, commercial entities, universities, international and national non-governmental organizations and other U.S. Government agencies that work as USAID partners to implement the Objective through the Amplified Program Description in Annex 1.

Section 6.4. Visas and Assignment Approvals. The Grantee, in conjunction with appropriate Government of Indonesia ministries and offices, will ensure the prompt and timely approval and issuance of visas and assignment approvals, including all approvals and procedures required to ensure full access to Aceh, for the employees, consultants and experts of any contractor, grantee or other organization carrying out activities financed by USAID under this Agreement through an established procedure agreed to in writing by the Grantee and USAID.

Section 6.5. Taxation Exemption. (a) Any contractor, sub-contractor, grantee, sub-grantee, or other organization and their employees, except citizens of Indonesia, carrying out activities financed by USAID under this Agreement shall be exempt from taxation, including but not limited to custom duties, tariffs, import taxes, income tax, and value added taxes on income, P.L.480 commodities, equipment, reconstruction related materials and commodities deemed necessary to achieve the objectives, and property financed, leased or imported with USAID funding under this Agreement, as fully described in Section B.4 of the Standard Provisions in Annex 2, through an established procedure agreed to in writing by the Grantee and USAID.

(b) Commodities acquired locally and internationally by USAID and its implementing partners (including both national and non-national contractors, grantees, sub-contractors and sub-grantees) that are financed under this Agreement shall be exempt from taxation including value-added taxes (VAT), tariffs, and custom duties imposed by Indonesia. Commodities acquired outside Indonesia shall be imported in accordance with Indonesian law but shall be exempt from all taxes, tariffs and duties as described herein. In the event that USAID and its implementing partners are taxed on its commodities, as described in this Section 6.5.(a) and (b) and Section B.4 of the Standard Provisions, the Grantee and relevant ministries and offices of the Government of Indonesia shall provide reimbursement in a timely fashion to USAID or its partners for all taxes including VAT and custom duties that are imposed or the Government of Indonesia may be subject to a U.S. Congressionally mandated withholding penalty of future U.S. foreign assistance. Commodities include materials, articles, supplies, goods and equipment.

(c) In the event of a conflict, Section B.4 of the Standard Provisions is the controlling provision of the Agreement.

Section 6.6. Public Participation. The Parties agree that maximum public participation in the recovery and reconstruction process in Aceh is essential to long-term success. The Grantee shall ensure full community stakeholder participation in strategic planning, implementation and monitoring of Aceh reconstruction activities.

Section 6.7. Funds Accountability. The Parties agree that accountability and transparency regarding reconstruction funds is essential to long-term success. The Grantee shall incorporate appropriate audit functions and procedures to guarantee the efficient and effective use of Aceh reconstruction funds.

Section 6.8. Recurrent Costs for Infrastructure. The Parties agree that funding for recurrent costs associated with rehabilitated or reconstructed large and small infrastructure in Aceh is essential to long-term success. The Grantee shall allocate sufficient budgetary resources for the long-term maintenance and operations of large and small-scale infrastructure to be rehabilitated under this Agreement.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:

Mail Address:

United States Agency for International Development
American Embassy
Jl. Medan Merdeka Selatan 3 – 5
Jakarta 10110, Indonesia
Attention: Mission Director

Telefax: (62-21) 380-6694
Tel: (62-21) 3435-9000

To the Grantee:

Mail Address:

Executing Agency for Rehabilitation and Reconstruction
for Aceh and Nias
Jl. Geuce Meunara VII No. 9
Desa Garot, Dusun Melati
Banda Aceh
Attention: Kuntoro Mangkusubroto

Telefax: (62-651) 48546
Tel: (62-651) 43434

With a cc to:
Jakarta Representative
Office of the Executing Agency for Rehabilitation and
Reconstruction for Aceh and Nias
Jl. Galuh II No. 4
Kebayoran Baru
Attention: Heru Prasetyo

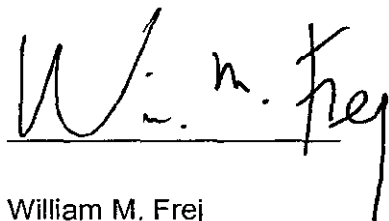
All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to the implementation of this Agreement, the Grantee will be represented by the individual holding or acting as Director in the Office of the Executing Agency for Rehabilitation and Reconstruction for Aceh and Nias. USAID will be represented by the individual holding or acting in the office of the USAID Mission Director to Indonesia. Each Representative, by written notice, may designate additional representatives for all purposes and any conditions governing actions of additional representatives other than signing formal amendments to the Agreement or exercising the power under Sections 2.2 or 2.3 to revise the Results or Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to USAID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the United States of America and the Republic of Indonesia, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered in Washington, DC on July 07, 2005.

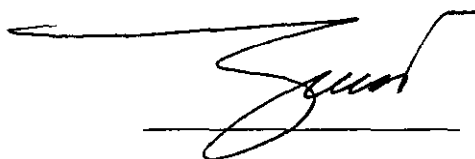
FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA

A handwritten signature in black ink, appearing to read "W. M. Frej", written over a horizontal line.

William M. Frej

Mission Director to Indonesia
United States Agency for
International Development

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA

A handwritten signature in black ink, appearing to read "Kuntoro", written over a horizontal line.

Kuntoro Mangkusubroto

Director, Executing Agency for
Rehabilitation and Reconstruction
for Aceh and Nias

Amplified Description

A. Purpose

This Annex provides an amplified description of the tsunami recovery and reconstruction program for Aceh and North Sumatra and contains an illustrative list of activities. Nothing in this Annex shall be construed as amending any of the definitions or terms of the Strategic Objective Grant Agreement between the Government of the Republic of Indonesia (GOI) and the Government of the United States of America to Support Tsunami Recovery and Reconstruction in Indonesia (the Agreement).

B. Background

The earthquake and tsunami of December 26, 2004 devastated Aceh's social, political, and economic systems. More than 125,000 people lost their lives and hundreds of thousands remain displaced and unable to return to their communities. Critical infrastructure and services (water supply and sanitation, power, housing, roads and bridges, health and education facilities), local government functions and local economies were all decimated, particularly along the western coast of Aceh.

The Government of Indonesia, the international donor and military community, non-governmental organizations, and the private sector responded to the disaster with an unprecedented and collaborative effort. The United States, primarily through the U.S. Agency for International Development and the U.S. military, committed \$350 million in emergency relief assistance focusing on emergency food assistance, provision of relief supplies, shelter, water and sanitation, health, education, cash for work programs, livelihood recovery, psychological and social support, and significant logistics and transportation support.

As immediate relief transitions to recovery and reconstruction in Aceh and North Sumatra, the Government of Indonesia and the international community are focusing not only on rebuilding bridges and buildings, but on restoring and improving lives and communities for the long-term.

The tsunami recovery and reconstruction program for Aceh and North Sumatra will also be implemented in close alignment with the overall U.S. Government 2004-2009 assistance strategy for Indonesia which focuses on: (1) basic education, (2) basic human services such as health and water, (3) effective democratic and decentralized governance, (4) economic growth through trade and investment, and (5) the environment.

C. Program Description

The Government of Indonesia's blueprint for reconstruction in Aceh and Nias North

Sumatra provides an overall framework for activities under this Agreement and basic principles for implementation, such as ensuring the full participation of community stakeholders, effective coordination among sectors, levels of government, and implementing organizations, and incorporating fiscal transparency and effective monitoring.

In line with the priorities outlined in the Government of Indonesia's Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan, in close coordination with other donor agencies and based on long-standing cooperation between Indonesia and the United States in key sectors such as health, natural resource management, humanitarian assistance, education, economic growth, and democracy, the USAID tsunami recovery and reconstruction program for Aceh and North Sumatra is designed to support government and non-governmental actions and priorities to rebuild vital infrastructure, revitalize communities, shelter, and livelihoods to foster the transition of people back to their homes, re-energize the economy, and restore and improve essential basic services (health, education, water, sanitation, and environment) in tandem with strengthened local governance capacity to manage these services. Technical assistance will also be provided to strengthen national and local disaster planning and preparedness, including early warning systems. To ensure equity in the reconstruction process, activities will also seek to assist host communities that have taken in displaced persons, as well as other parts of Aceh, Nias and North Sumatra that were indirectly affected by the tsunami.

USAID's program is designed to achieve the following priorities:

- a) Rebuild and improve large and small-scale infrastructure to accelerate the revitalization of the economy, restoration of basic services (transportation, water/sanitation, power, environment, health, and education), and return of people to revived communities;
 - b) Ensure a seamless transition from camps to communities for vulnerable populations by meeting basic needs for shelter and housing, economic revitalization and livelihoods, and providing other transitional support;
 - c) Restore and improve the management and quality of essential basic services such as health, water and sanitation, education, and environment at the local level;
 - d) Restore and strengthen local governance and government systems, institutions, and functions, based on accountability and citizen participation; and
 - e) Provide technical advice and assistance to support national and local level strategic planning, implementation of recovery and reconstruction programs, and disaster preparedness.
- C.1. Illustrative Results Framework – to be added, along with common regional indicators for tsunami recovery and reconstruction, once finalized.

C.2. Rebuild Large and Small-Scale Infrastructure

In line with Book III: Infrastructure and Housing, of the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan, during the period covered under this Agreement, illustrative activities may include but not be limited to:

- a) **Assistance to reconstruct and improve large infrastructure** critical for economic revitalization, restoration of key services, access, and community revival, including the Banda Aceh to Meulaboh road and relevant bridges.
- b) **Assistance to reconstruct small-scale infrastructure** including schools; health clinics; municipal buildings; economic infrastructure and markets critical for key industries, trades and livelihoods; secondary roads and bridges; wells and water distribution systems; sanitation systems; community level power generation and electrical connections; agricultural and environmental protection infrastructure; and other community-level infrastructure critical for community revival, return of people to their homes, job creation and livelihood development, and restoration of basic services; and reconstruction assistance to Syiah Kuala University for teacher training facilities and other necessary facilities, including faculty housing.
- c) Mitigation of the environmental impacts of these projects will be incorporated into planning and implementation.

C.3. Transition from Camps to Communities

In line with Book IV: Economy and Manpower, of the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan and Book VI: Health and Education, of the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan, during the period covered under this Agreement, illustrative activities may include but not be limited to:

- a) **Assistance and credit schemes to rebuild shelter and housing** in devastated communities to restore livelihoods and facilitate the return of people to their homes, together with technical assistance in community planning, site selection, preparation, and reconstruction. Shelter activities will be carried out accordance with agreed donor and GOI principles.
- b) **Technical assistance, training, grants and credit schemes to rebuild livelihoods** and economic growth by establishing links to micro and small enterprise finance for working capital and investment purposes.
- c) Quick-impact **"cash-for-work" programs** to generate short-term employment and income and initiate community level recovery, and other Community based recovery programs.
- d) **Technical assistance, training, and inputs to enhance vocational occupations** such as construction (carpentry, electrician, etc.), fisheries, agriculture and agribusiness, and other manufacturing, trade and business processes, and provide skills to help people, particularly women and displaced persons, return to work. To the extent possible, all materials under this Section C.3 (d) will be procured at the local level.

- e) **Community-based psychological and social support programs** for children and adults, activities to combat trafficking in persons and other crimes against vulnerable women and children, and provide for the immediate and long-term needs of children for protection and permanency and the protection of women and children from violence and exploitation.
- f) P.L.480 Title II commodities for targeted food assistance interventions.
- g) A United States Government contribution to the World Bank-managed GOI **Multi-Donor Trust Fund (MDTF)** will be drawn from funding provided under this Agreement, if such a contribution is made.
- h) On June 14, 2005, the USG and the GOI signed a bilateral agreement for **Debt Relief**. Under the provisions of the Tsunami Recovery and Reconstruction Program legislation, the funding required to off-set the lost debt service payments (estimated at \$20.1 million) will be drawn from the Transition from Camps to Communities program component.
- i) Programs to **restore and improve the management and quality of essential basic services**, including technical assistance and training to: (1) re-establish and strengthen health services and systems, through interventions addressing health system; (2) increase access to clean water and better sanitation in urban and rural communities by strengthening the management of water supply and distribution systems; (3) re-establish and strengthen education services, working in both public and private schools.

C.4. Technical Assistance and Support for Good Governance

In line with Book V: Local Government Systems, of the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan and Book X: Good Governance and Monitoring, of the Aceh and Nias, North Sumatra Rehabilitation and Reconstruction Master Plan, during the period covered under this Agreement, *illustrative activities to restore local governance and government and support national and local level strategic planning and implementation of reconstruction programs may include but not be limited to:*

- a) Technical assistance, training and grants to **accelerate the revival of local government functions** by providing basic materials for local government and sub-district offices; improving planning and budgeting skills, to ensure accountable and transparent management of reconstruction efforts; strengthening the civil service; and promoting processes that maximize community and civil society participation in decision-making.
- b) Technical assistance, training, and grants to **accelerate the revival of local parliaments** to re-establish basic legislative functions in setting local policy in support of the reconstruction process; to improve citizen outreach and encourage greater dialogue with communities; and support effective relationships between local legislative and executive institutions.
- c) Technical assistance, training, and grants to **accelerate the revival of local civil society organizations** to facilitate community involvement, particularly from women and disadvantaged groups, in the planning, advocacy and

implementation of reconstruction initiatives, foster positive discussion between government officials and communities, and civil society advocacy.

- d) Technical assistance and training to **help restore and develop communication and information systems and media** to ensure better access to information and communication among affected communities, central government and international donors.
- e) Technical assistance and training to facilitate the **restoration and strengthening of justice and legal systems**, including election support.
- f) Technical assistance and support to **reinforce the capacity of national, provincial and local governments to plan and undertake reconstruction** based on better informed priority setting and decision-making, including community mapping assistance to re-establish title to land.
- g) Technical assistance and training to **help develop national, provincial and local level tsunami early warning systems** backed by community-developed disaster preparedness plans, improved communications, and enhanced public education.
- h) Technical assistance and training to **ensure that the reconstruction process is conducted in an environmentally-sound manner** which protects high biodiversity conservation areas and results in structures more resilient to natural disasters.
- i) Advisory assistance, planning studies, and training to support priority infrastructure and related activities in support of tsunami reconstruction programs.

D. Funding

D.1. Funds Supporting the Government of Indonesia Program

Subject to the availability of funds to USAID for this purpose, funding under this Agreement may be provided directly by USAID, in the form of contracts, grants, cooperative agreements and other types of agreements, to international private voluntary organizations, commercial entities, universities, non-governmental organizations, and other U.S. Government agencies that work as USAID partners for the following purposes, including but not limited to:

- Technical Assistance
- Training
- Reconstruction, Construction
- Research
- Fellowships
- Supplies and Commodities
- P.L.480 Title II Commodities
- Assessments, performance monitoring and evaluations
- Audits
- Other purposes as deemed appropriate

D.2. Financial Plan

The financial plan for the Program is set forth in the attached table (Illustrative SOAG Budget). Changes to the financial plan that increase or decrease a budget line item by no more than 15% shall not require the use of Implementing Letters nor formal amendment to the Agreement; if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

D.3. Other USAID Program Support Obligated Outside this Agreement

In addition to the amount that may be made available under this Agreement, USAID will also contribute additional technical and program support for activities that may be obligated outside of this Strategic Objective Agreement. All funding provided by USAID not obligated in this Agreement for assistance to achieve the Strategic Objective and Results in Article 2 shall be treated as assistance provided to Indonesia under the Economic and Technical Cooperation Agreement between the Government of the United States of America and the Government of the Republic of Indonesia on October 16, 1950 and its related annex. Funding may be provided by USAID/Washington or USAID/Indonesia through other financial mechanisms.

E. Roles and Responsibilities of the Parties

USAID, the Grantee, international private voluntary organizations, commercial entities, universities, non-governmental organizations, and other U.S. Government agencies will achieve the Strategic Objective together in partnership with the citizens of Indonesia.

E.1 The Grantee

The Grantee will be responsible for facilitating the necessary administrative support for the provision of technical assistance under the Strategic Objective program. The Executing Agency for Rehabilitation and Reconstruction for Aceh and Nias shall act as the executing agency of the GOI. The Executing Agency for Rehabilitation and Reconstruction for Aceh and Nias will liaise with other GOI ministries and agencies to ensure that the GOI fulfills its responsibility to facilitate visa and assignment approvals; procedures and approvals required to ensure full access to Aceh; fee, tariff and tax exemptions; and customs clearances in accordance with this Agreement. The Grantee will participate in the coordination and monitoring of the Agreement.

E.2 USAID

USAID will solicit, manage, finance and take overall responsibility for goods and technical services to be procured which contribute to the Strategic Objective of this Agreement. USAID's Strategic Objective Team will be responsible for the day-to-day and other monitoring mechanisms by USAID and the implementing partners.

ILLUSTRATIVE SOAG BUDGET

Total Estimated USAID Contribution: \$332,000,000

- | | |
|---|---------------|
| 1. <u>Rebuild Large Infrastructure:</u> | \$245,000,000 |
| 2. <u>Rebuild Small Infrastructure:</u> | \$29,000,000 |
| 3. <u>Transition from Camps to Communities:</u> | \$48,000,000 |
| 4. <u>Technical Assistance and Good Governance:</u> | \$10,000,000 |

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Note: Relief and Rehabilitation programs undertaken and funded by the United States government through USAID prior to the signature of this Agreement, and those to be arranged for purposes of this Agreement, provide an additional \$68,117,286 in assistance to tsunami victims. The United States Government pledge for Tsunami Relief, Recovery, and Reconstruction programs, therefore, totals \$400,117,286.